

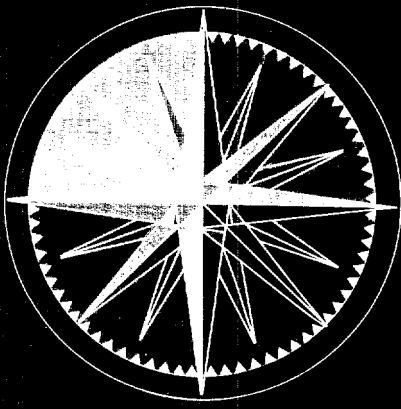
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CURRENT INTELLIGENCE WEEKLY SPECIAL REPORT

TRENDS IN THE LESSER ANTILLES

CENTRAL INTELLIGENCE AGENCY
DIRECTORATE OF INTELLIGENCE

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SECRET**TRENDS IN THE LESSER ANTILLES**

Many of the traditionally stable island possessions in the Caribbean are undergoing political changes that will test their democratic order. The difficulties that will be encountered in achieving much needed economic diversification may further upset established political relations.

By early 1967 various British Caribbean islands will have emerged from colonial status into independence or a quasi-independent status. The virtual withdrawal of the British will leave inexperienced local leaders the task of improving the economic welfare of the people and thus reducing the susceptibility of the islands to subversion.

The people of the French and Dutch Caribbean possessions are relatively prosperous and enjoy extensive political and economic support from the mother countries. De Gaulle has taken a personal interest in the French West Indies, which are therefore tied more firmly than ever to France. If, however, post - De Gaulle France should decide to divest itself of these islands, the Communists and other far left groups might well dominate the political scene.

Barbados

On 30 November, Barbados will assume independence within the British Commonwealth. The island has been a British colony since the early 17th century. Its new constitution will replace one of the oldest constitutions in the Commonwealth, and its House of Assembly, which dates from 1639, is the second oldest colonial legislative body. The colony was granted full self-government in 1961, the UK retaining control of foreign affairs and defense.

Political Arrangements

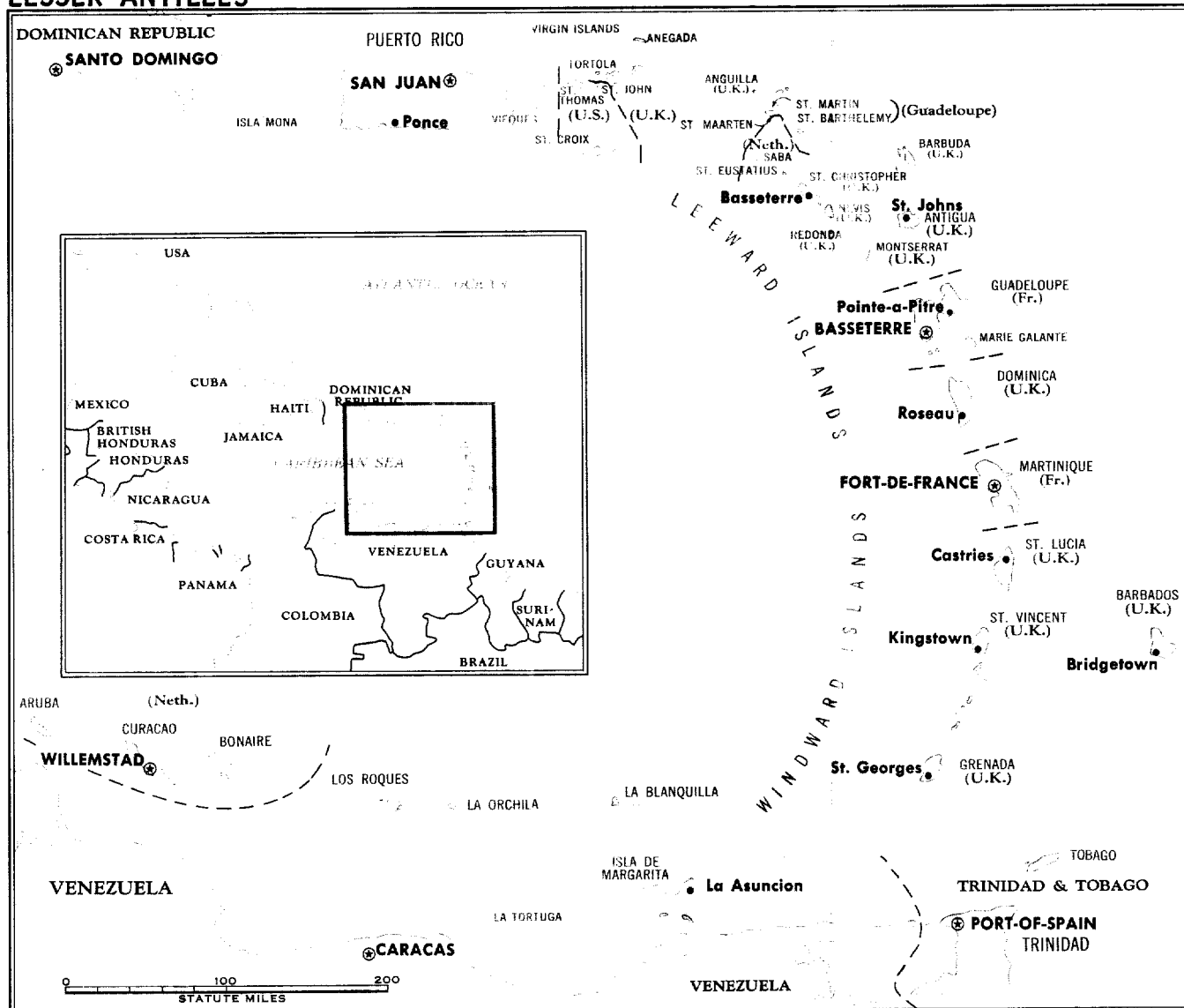
In independence, the island will have a parliamentary system

with a government nominally responsible to a governor general as representative of the British Queen. Parliament will comprise a Senate of 21 appointed members and an elected 24-member House of Assembly.

At present reading, three recognized political parties will contest most of the seats in the 3 November general election, and a newly formed fourth movement is expected to run candidates for two seats. Weaknesses in the Barbados National Party (BNP) and Barbados Labor Party (BLP) hamper their election prospects. The governing Democratic Labor Party (DLP) of

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Premier Errol Barrow is heavily favored to increase its present majority in the legislature.

The DLP came to power in the 1961 elections after 14 years of BLP control. The results of the London conference on arrangements for independence enhanced the DLP's prestige and were a significant personal triumph for Barrow, who achieved his primary objective of winning independence in 1966. The DLP can also claim credit for a steady rate of economic growth and significant improvements in the island's communications, transportation, and other facilities. In addition, five years of dispensing patronage place the government party in a commanding position. A real opposition would appear only in the unlikely event of an alliance of young and capable elements of the BNP and the BLP.

Barrow expects that, with independence, Barbados will be a Caribbean power in its own right. His political orientation is pro-US and he is particularly disposed toward Canada. Recently he has evinced strong interest in joining the OAS.

The Economy and the People

Although Barbados is dependent on a single crop--sugar--the island has made considerable progress with its tourist industry and has not received budgetary support from the United Kingdom for many years. Efforts to expand

the industrial base have not been as rewarding, and agricultural diversification has moved slowly. For the short run, however, the promotion of tourism can do more to advance the economic growth and raise the standard of living than industrialization.

Barbados suffers from overpopulation and emigration has not kept pace with the rate of growth. With a total population of nearly 250,000 in an area of 166 square miles, the island is one of the most densely populated areas of the world. The overwhelming majority of inhabitants are African in origin (79 percent), with 4 percent of European and 17 percent of mixed origin. There is at present no overt racial conflict, although some of the white residents view with trepidation the imminent removal of British control.

With most commercial interests and much of the land controlled by whites, there is a distinct potential for social unrest and racial tensions. The situation can and probably will be exploited for political purposes, particularly if independence does not bring noticeable economic improvement to the great mass of very poor Barbadians. A significant increase in unemployment--currently estimated at 20-25 percent except during cane harvesting--could also provide an opening for subversive influences.

Internal Security

At present there is no evidence of a subversive threat. Only a handful of persons have come to

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notice in a Communist or extreme left-wing connection, and there has been no indication of their involvement in subversive activity. In comparison with the other British dependencies in the Eastern Caribbean, Barbados has a better educated, and reputedly more industrious population, which should make the country less vulnerable to Communist exploitation.

Barbados has a well-disciplined police force of about 650 which, unlike the other forces in the British Caribbean, has been responsible to the government of Barbados and not to the UK. Provided the island shows itself capable of developing its free enterprise economy, and political parties and trade unions follow responsible policies, left-wing subversion is not expected to make much headway.

Windward and Leeward Islands

Six dependencies of the Windward-Leeward groups will assume a new "associated status" relationship with Great Britain in February 1967. The six are Antigua (including Redonda and Barbuda), Dominica, St. Lucia, St. Vincent, Grenada, and the group comprised of St. Christopher (also known as St. Kitts), Nevis, and Anguilla.

The political future of these six became uncertain with dissolution of the Federation of the West Indies on 31 May 1962, after Jamaica and Trinidad had opted for independence on their own. After 1962 a continuing

attempt was made to form an "Eastern Caribbean Federation" of these islands together with Barbados and Montserrat. In its earlier stages the plan was to set up a strong central government with its capital in Barbados, and with certain associations among the units which would make the islands economically more viable and less vulnerable to outside political influences.

However, island leaders were unwilling to give up any important political and financial powers to a central government, and Barbados' Premier Barrow was reluctant to agree to any arrangement requiring his island to contribute to the economy of the others. Most important to the islands, the UK was unwilling to guarantee them what they considered adequate financial support of the proposed federation. Faced with the collapse of plans for a federation, the British accepted independence for Barbados and devised a plan of modified dependency status for the other six.

Two remaining British Caribbean dependencies will not be part of the "Associated States" plan. Montserrat and the British Virgin Islands are considered "too small" and too dependent on the UK for self-government.

Political Arrangements

Under the new constitution, the six "Associated States" will be fully self-governing in internal affairs, but external affairs and defense will remain a British responsibility. The association

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is to be a free and voluntary one. Termination by any island would require approval by two thirds of the legislature and a two thirds referendum. The UK can terminate an island's relationship only after giving six months' notice, holding a conference to discuss proposed termination with the island concerned and obtaining approval of the British Parliament. While the British will be responsible for external affairs, they have announced that they will entrust foreign affairs responsibilities to the island governments to the maximum extent feasible.

When the British turn over control in February the position of "Administrator" (representative of the Crown) on each of the islands will be eliminated. London will have a senior diplomatic official resident on St. Lucia whose title will be "British Government Representative" and whose rank will be equivalent to that of the high commissioners (ambassadors) exchanged by Commonwealth members. As in Barbados, the islands will have a parliament with an appointed Senate and a lower house called the House of Representatives. A governor representing the Queen will occupy a ceremonial position.

Great Britain has stated that it has no intention of "washing its hands" of the area because of the changed status. The UK maintains that it will continue aid and budgetary support, and that it has parliamentary authority for assistance at present levels until 1970.

Despite such assurances, the UK has been reticent about committing itself to large-scale expenditures in the Caribbean for an indefinite time. It hopes that with the new arrangement the United States and Canada will take a greater interest in these neighbors than in the past.

The Economy and the People

At present none of the islands is economically viable. Antigua had ceased to receive budgetary support from the British in 1963, but a severe drought in 1965 caused it to call for assistance from the UK to keep the government sugar factory going. In August this year the sugar factory's board of directors announced that because of serious losses the company was unable to continue operations beyond the present sugar crop. A survey is now under way by a team of experts which will make recommendations concerning continuation of the industry. Tourism, however, has recently been expanding and probably holds the key to Antigua's economic future. St. Kitts is now the only one of the six dependencies in which sugar is the leading industry.

In the remainder of the islands, agriculture, primarily bananas, forms the basis of the economy. St. Lucia also has hopes for developing the tourist industry, and in 1962 opened its first luxury beach hotel. Montserrat's economy is still based largely on production of sea island cotton, but American and Canadian real estate interests

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have started developments which may eventually establish retirement homes to supplement the island's economy.

In general, the islands have shown little inclination to join a regional economic organization, which would be their best hope for economic viability. The exception is Antigua which has agreed, with Barbados and Guyana, to form a Caribbean Free Trade Area (CARIFTA). Details concerning CARIFTA have yet to be arranged, but if the organization shows promise the other islands would probably be interested in joining. Members of the islands' Chambers of Commerce, anxious for closer economic cooperation, have toured the British Caribbean to promote formation of a trading bloc.

A group of economists sponsored by the US, UK, and Canadian governments recently surveyed the economies of Barbados and the Windward-Leeward Islands. The report of the survey will be discussed at a conference of island chief ministers and representatives of the US, UK, and Canada in Antigua on 2 and 3 November.

Approximately 525,000 people, mostly of African descent, live in the 1,300 square miles of the eight islands' territory stretching across 700 miles of sea. The Negro people completely control the politics of the islands, and in some the small minority of white residents controls most of the business firms. There are no open racial conflicts.

Internal Security

With the possible exception of Grenada, where a close associate of Guyanese pro-Communist opposition leader Cheddi Jagan may have been active, there has been no overt Communist influence. Future subversion, however, cannot be ruled out. All of the problems that have caused trouble in other parts of the underdeveloped world exist here: unemployment, low wages, overpopulation, one-crop economies requiring external support, and an extremely wealthy minority versus an underprivileged majority. The virtual withdrawal of the British will leave inexperienced and frequently naive island leaders to deal alone with any subversive threat.

The internal security of the islands has been maintained by small police forces ultimately responsible to the UK. They are considered very efficient and adequate under normal circumstances, but would be hard pressed to handle any sizable riots.

French West Indies

Eight of the Caribbean islands are French owned. In 1946 they were made into two full departments of France named for Martinique and Guadeloupe, the two principal islands, which have been French possessions since the mid-17th Century. The department of Guadeloupe includes Marie-Galante, three smaller outlying islands (Iles des Saintes, Petite Terre, and La Desirade),

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and the islands of Saint Barthelemy and Saint Martin to the north. Both Martinique and Guadeloupe are presided over by a prefect who is named by the French Government and is answerable to it. In addition each has general councils elected on the basis of universal suffrage which are consulted on government decrees and government-sponsored legislation that would affect them.

The population of some 640,000 is about evenly divided between Martinique and Guadeloupe. Roughly 90 percent are African or African-Caucasian-Indian mixture with some 5 percent East Indian and 5 percent Caucasian. The white residents, although numerically small, control a great deal of the economic wealth. Ethnic differences the great distances from France, and the economic contrasts have been the roots of past difficulties in establishing a satisfactory political status.

Gaullism vs. Communism

The policy of President de Gaulle's Fifth Republic has been to integrate the French West Indies ever more closely with Metropolitan France. After years of neglect, Martinique and Guadeloupe have lately received more of the national budget in proportion to their populations than any of the 89 departments of continental France. New housing, roads, schools, health centers, electric lines, and water pipes stand as evidence of De Gaulle's determination to make this area

an attractive outpost of France. In addition, France buys and subsidizes the main products of these islands--sugar, bananas, and pineapples. Although incongruous in light of the desire of most colonies for independence, the majority of the population of these islands appears to appreciate the advantages of integration into the French polity.

France has pumped an average of \$170 per capita annually into Martinique and Guadeloupe during the past few years. The islanders enjoy salary levels and social benefits above the Caribbean average. In addition, De Gaulle has made a deep impression by visiting the islands several times and reassuring the islanders that France would not abandon them. The result has been that while the Communists and other far-left groups favor autonomy and are able to win a substantial number of votes at election time, their aspirations for independence go unheard.

Although both islands are solidly pro - De Gaulle (he received almost 90 percent of their votes in the last election), there is a tendency to elect far-left municipal governments such as exist in the two main cities, Pointe-a-Pitre in Guadeloupe and Fort-de-France in Martinique. Aime Cesaire, mayor of Fort-de-France and member of parliament, is a former Communist who broke with the party in the late 1940s to form his own leftist group, the Martinique Progressive Party (PPM). Dr. Henri Bangou, mayor

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of Pointe-a-Pitre, is a Communist. Although Communist strength has declined steadily since its peak in the late 1940s, the Communist Party apparatuses on the two islands are still the only well-organized and relatively disciplined forces in local politics. Many believe that if France should abandon the islands, the Communists would be the only ones prepared to take over. As long as France is governed by the prestige-minded administration of President de Gaulle, however, money and gendarmes will be sent in sufficient quantity to assure relative tranquility.

The Economy

For the immediate future the French Caribbean islands face the same economic problems as other parts of the Caribbean--providing work for a rapidly growing population that no longer wants to live the way it used to. Virtually all children of school age are now attending school, and education is giving the new generation an ambition to do more than cut sugar cane under a broiling sun. The answer, everyone agrees, lies in tourism and industry, but both have been slow to develop.

The islands have naturally looked to France for investment capital, but investors there have been embroiled in a competitive battle within the European Economic Community and consequently have not rushed to the French West Indies. French investors traditionally looked to the islands as a market for goods

made in France, and have discouraged the French Government from granting incentives to industries that might cut into their markets. Officials charged with industrial promotion assure visitors that the cold reception Paris in recent years has accorded potential American investors in the islands is no longer the case, and that they will be on equal footing with French nationals as far as fiscal and other concessions for new industry in the islands are concerned. Nevertheless, there are discriminatory levies which have discouraged would-be investors from the United States.

Netherlands Antilles

The Dutch-owned islands in the Caribbean, an integral part of the Kingdom of the Netherlands, comprise two separate groups some 500 miles apart. Curacao, Bonaire, and Aruba lie at the southwestern end of the Lesser Antilles close to the Venezuelan coast; St. Eustatius, St. Maarten (the southern part of St. Martin, the rest of which is French), and Saba lie at the northern end of the chain southeast of Puerto Rico. Willemstad, the principal town in Curacao, is the largest city in the group and is the administrative center.

Political Arrangement

Autonomy, with joint administration of foreign affairs and defense, was granted to the Netherlands Antilles in 1954. Central executive powers are vested in the Crown and legislative powers

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in the Parliament at The Hague. Executive government in the islands is through an appointed governor, who is assisted by an advisory council and a parliament. The Parliament is composed of an elected legislative assembly called the Staten, and a Council of Ministers (cabinet) responsible to and appointed from the Staten. There are 22 members elected to the Staten for a five-year term on the basis of universal adult suffrage. In addition, each island territory has its own legislative powers vested in elected bodies called Island Councils.

In the last general election on 8 June 1966, the moderate Democratic Party (DP), which has been in power since 1954, won 13 seats and the National People's Party (NVP) won the remaining nine. A party to watch in the future is the newly created Antillean Reformed Union (URA). It is young (all members under 40) and Christian Democratic in orientation. The URA will have close ties with the Christian Democrats in The Hague, thus assuring it prestige and backing. Many local sources believe that the URA will eventually replace the NVP as the official opposition to the DP.

Approximately 85 percent of the island's population are of mixed Negro stock, except on Aruba where 12 percent are Negro and some 55 percent are mixed Carib Indian and European. The remainder of the population is of European descent with some

Chinese, especially on Aruba. Although the white population is generally on a higher economic level, there is not the great disparity present in other countries, and advantages are afforded all.

The Economy

Oil refining is the chief industry. Curacao and Aruba have in the last four decades become increasingly important with the immense development of the Venezuelan oil industry. The refinery of Shell Curacao and that of the Lago Oil and Transport Company on the island of Aruba, two of the largest in the world, provide a main source of employment. Recently both companies have made greater use of automation thus increasing the unemployment rate currently estimated at 20 percent.

Tourism has developed considerably over the last decade and further efforts are being made to increase this source of revenue. The government has a very attractive program of inducements to new industry and hotels, but industries have been slow in coming.

Internal Security

There is no Communist party in the Netherlands Antilles and Communist influence is negligible. A small local police force cooperates with the Dutch defense forces stationed in the area.

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